

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA : CRIMINAL NO. 04-298
v. : DATE FILED: _____
JOHN HEVENER, JR. : VIOLATION:
18 U.S.C. § 1341 (mail fraud -
: 2 counts)

S U P E R S E D I N G I N D I C T M E N T

COUNTS ONE AND TWO

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

1. Defendant JOHN HEVENER, JR. was self-employed as a public accountant, doing business under the name Hevener Associates, Inc., 727 West Brubaker Valley Road, Lititz, Pennsylvania 17543. He also held himself out as an investment advisor.

THE SCHEME TO DEFRAUD AND TO OBTAIN MONEY

2. From in or about January 1990, to in or about June 2000, in the Eastern District of Pennsylvania and elsewhere, defendant

JOHN HEVENER, JR.

devised and intended to devise a scheme to defraud and to obtain money and property by means of false and fraudulent pretenses, representations, and promises.

THE OBJECT OF THE SCHEME

3. The object of the scheme was for defendant JOHN HEVENER, JR. to obtain money and property for his benefit in the total amount of \$753,000 by convincing four of his accounting clients to invest money with him by falsely promising them high rates of return and that their principal was secure.

MEANS OF EXECUTING THE SCHEME

It was part of the scheme that:

4. Defendant JOHN HEVENER, JR. misused information he had obtained as an accountant about his clients' savings and investments to identify clients from whom he could solicit money to purportedly invest on their behalf.

5. Defendant JOHN HEVENER, JR. abused the trust his clients placed in him as their accountant to convince them to participate in transactions which he falsely described as investment opportunities which would yield high rates of return and in which the principal was secure. He also took advantage of the fact that his clients were not financially sophisticated.

6. Defendant JOHN HEVENER, JR. made false statements to his clients about the nature and purpose of and the parties to the transactions.

7. Defendant JOHN HEVENER, JR. made false statements to his clients when they inquired about the status or success of

the transactions, and made false promises about the transactions.

8. Defendant JOHN HEVENER, JR. used corporate entities he owned and/or controlled to disguise his true purpose in obtaining money from his clients.

9. Defendant JOHN HEVENER, JR. mailed Internal Revenue Service Forms 1099 (Interest Income) to victims, falsely representing that they had earned interest income.

10. In or about January 1990, defendant JOHN HEVENER, JR. convinced Victim No. 1, a person known to the grand jury, to loan \$12,901.98 to United Equity & Leasing Corporation for a term of one year at 12% interest. On or about February 15, 1990, Hevener mailed a letter to Victim No. 1 and enclosed a promissory note memorializing this transaction.

11. In or about June 1990, defendant JOHN HEVENER, JR. convinced Victim No. 2, two persons known to the grand jury, to loan \$50,000 to United Equity & Leasing Corporation for a term of six months at 12% interest. On or about June 26, 1990, Hevener mailed a letter to Victim No. 2 and enclosed a promissory note memorializing this transaction.

12. In or about January 1991, defendant JOHN HEVENER, JR. mailed an Internal Revenue Service Form 1099 (Interest Income) to Victim No. 2 falsely representing that Victim No. 2 had earned \$9,443.46 in interest on the \$50,000 loan in 1991.

13. On or about February 14, 1991, defendant JOHN HEVENER, JR. placed a telephone call to Victim No. 1, stated that the loan had earned \$1,548.24 in interest, and convinced Victim No. 1 to reinvest the interest and principal for an additional year.

14. In or about January 1992, defendant JOHN HEVENER, JR. convinced Victim No. 3, two persons known to the grand jury, to take \$110,000 from an employees' profit sharing plan which was being liquidated and use it to purchase stock in United Equity & Leasing Corporation.

15. In or about February 1992, to avoid repayment of the \$50,000 loan from Victim No. 2, defendant JOHN HEVENER, JR. convinced Victim No. 2 to accept shares in United Equity & Leasing Corporation in lieu of repayment.

16. In or about April 1993, defendant JOHN HEVENER, JR. convinced Victim No. 2 to liquidate some stock investments and use \$100,000 to purchase stock in United Equity & Leasing Corporation.

17. In or about June 1994, defendant JOHN HEVENER, JR. convinced Victim No. 2 to purchase what he represented to be an international certificate of deposit in Fujibanc, N.A., Nassua, Bahamas, for \$240,000. Hevener falsely represented that the certificate of deposit would mature in four years and would pay

interest in quarterly installments at the annual rate of 12.5%.

18. On or about July 13, 1994, defendant JOHN HEVENER, JR. caused Victim No. 2 to issue a check for \$75,000 payable to Fujibanc, N.A. as partial payment for the certificate of deposit.

19. On or about July 14, 1994, defendant JOHN HEVENER, JR. opened a Schwab One International Account in the name of Fujibanc and deposited the \$75,000 check.

20. On or about July 18, 1994, defendant JOHN HEVENER, JR. opened an account in the name of TIB Commodity Exchange of America Ltd. at Lebanon Valley National Bank.

21. On or about July 19, 1994, defendant JOHN HEVENER, JR. issued a check in the amount of \$50,000 on the Fujibanc account at Schwab and deposited it in the TIB Commodity Exchange account at Lebanon Valley National Bank.

22. On or about July 27, 1994, defendant JOHN HEVENER, JR. caused a check in the amount of \$8,200 to be issued on the Schwab Fujibanc account payable to Universal Corporate Services in payment for his purchase of a Panamanian corporation with the word "bank" in the corporate name. Hevener had been specifically informed that he could not use this corporation to do business as a bank in the United States or to obtain money from clients.

23. On or about July 20, 1994, defendant JOHN HEVENER, JR. caused Victim No. 2 to issue a check for \$165,000 payable to

Fujibanc, N.A. as payment for the balance of the certificate of deposit.

24. On or about July 28, 1994, defendant JOHN HEVENER, JR. convinced Victim No. 4, a person known to the grand jury, to purchase the same type of certificate of deposit in Fujibanc, N.A. for \$120,000.

25. On or about August 3 and September 23, 1994, defendant JOHN HEVENER, JR. concealed funds he fraudulently obtained from investors by issuing checks in the amount of \$105,000 and \$25,000 on the Schwab Fujibanc account payable to a business owned and operated by one of his children.

26. On seven separate occasions between August 3, 1994 and October 12, 1995, defendant JOHN HEVENER, JR. caused money invested by Victim Nos. 2 and 4 to be disbursed from the Schwab Fujibanc account to the TIB Commodity Exchange Account. The money in one of these transfers was used to repay Victim No. 1 the loan he had made in January, 1990, to United Equity & Leasing Corporation.

27. On or about October 5, 1994, defendant JOHN HEVENER, JR. used some of the money invested by Victim Nos. 2 and 4 to make quarterly interest payments to them.

28. On or about October 31, 1994, defendant JOHN HEVENER, JR. convinced Victim No. 2 to lend Fujibanc \$80,000 for

a period of 90 days to fund a purchase of oil to be shipped to Latvia.

29. On or about January 7, 1995, defendant JOHN HEVENER, JR. convinced Victim No. 1 to lend \$25,000 to United Equity & Leasing Corp. for a term of one year at 11% interest. Hevener moved this money between various checking accounts controlled by him, obtained \$10,000 of it in cash and disbursed another \$10,000 to one of his children.

30. Between in or about January and April 1995, defendant JOHN HEVENER, JR. used some of the money invested by Victim Nos. 2 and 4 to make quarterly interest payments to them.

31. In or about January 1996, defendant JOHN HEVENER, JR. convinced Victim No. 1 to reinvest what Hevener represented to be the \$25,000 principal and accrued interest on the note for another year.

32. In or about April 1996, defendant JOHN HEVENER, JR. convinced Victim No. 1 to lend an additional \$15,000 to United Equity & Leasing Corporation. Hevener moved this money between various accounts controlled by him and used some of it to make quarterly interest payments to Victim Nos. 2 and 4.

33. In or about February 1997, defendant JOHN HEVENER, JR. convinced Victim No. 1 to reinvest what Hevener represented to be the \$40,000 principal and accrued interest on the two notes

for another year.

34. On or about February 28, 1997, defendant JOHN HEVENER, JR. mailed an IRS Form 1099 (Interest Income) to Victim No. 1 falsely representing that Victim No. 1 had earned interest in the amount of \$4,496 in 1996.

35. In or about January 1998, defendant JOHN HEVENER, JR. convinced Victim No. 1 to reinvest what Hevener represented to be the \$40,000 principal and accrued interest on the two notes for another year.

36. On or about January 20, 1998, defendant JOHN HEVENER, JR. mailed an IRS Form 1099 (Interest Income) to Victim No. 1 falsely representing that Victim No. 1 had earned interest in the amount of \$5,670.12 in 1997.

37. In or about July 1999, Victim No. 1 placed a telephone call to defendant JOHN HEVENER, JR. and asked for the repayment of the two loans totaling \$40,000 and the accrued interest.

THE MAILINGS

_____38. On or about the following dates, in the Eastern
Eastern District of Pennsylvania and elsewhere, defendant

JOHN HEVENER, JR.,

for the purpose of executing the scheme described above, and
attempting to do so, knowingly caused to be delivered by mail,
according to the directions thereon, the items described below:

COUNT	DATE	DELIVERED TO	DESCRIPTION
1	AUGUST 25, 1999	Victim No. 1 Scenic Drive Denver, PA 17517	Letter responding to request for repayment of loan
2	JUNE 13, 2000	Victim No. 3 Sylvia Drive Lititz, PA 17543	Letter stating Washington attorney will contact

All in violation of Title 18, United States Code,
Section 1341.

A TRUE BILL:

FOREPERSON

PATRICK L. MEEHAN
United States Attorney